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Innovation in PHS

Results of a survey exploring the importance of innovation in past and future developments of the PHS sector.



ABOUT US

Since 2006, the European Federation for Services to Individuals (EFSI) brings together national federations and associations as well as private companies that are involved in the development of Personal and Household Services (PHS) in Europe. Through its members, EFSI is present in 22 EU Member States. As such, it promotes, defends, develops and creates opportunities for PHS providers and stakeholders while giving them voice on the EU scene.

PHS include a broad range of activities that contribute to well-being at home of families and individuals: child care, long term care for the elderly and for persons with disabilities, ironing, cooking, cleaning, gardening, remedial classes, small repair work, and home administrative tasks.

More information: www.efsi-europe.eu

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We would like to thank all members who helped with the translation and the dissemination of the survey.

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EXECUTIVE SUMMARY

Introduction

This report summarises the findings of a survey the European Federation for Services to Individuals (EFSI) carried out to grasp PHS actors' vision and experience of innovation. With more than 8 million workers throughout Europe in 2016 and 5 million jobs to be created in the years to come¹, personal and household services (PHS) are an expanding sector.

The growing demand for PHS is mainly driven by changes in family structures (increases in female employment rate, increased numbers of single parents families to name just a few) as well as the unprecedented and general ageing of our societies. While trying to meet those new needs, the PHS sector faces other challenges such as a decreased support from public authorities; the development of quality jobs and services; the prevalence of undeclared work in many countries; or the need to ensure adequate training of staff as well as interesting career paths.

Thus, the question arises of how innovation can solve the various challenges faced by the sector and what innovations are successfully implemented. This is why, EFSI conducted a survey with the aim to explore the importance played by innovation in past and future developments of the PHS sectors. It also investigates the multiple forms innovation can take and its drivers, as well as obstacles encountered in this regard.

Key findings

The big majority of respondents shared the opinion that innovation is crucial or very important for the sustainability and future development of the PHS sector (65%). This seems to reflect the need for the sector to upgrade to meet the growing demand of services in Europe and to adapt to the evolving habits of users. The areas of the sector that seem to be under the most intensive processes of innovation are working conditions (widely conceived as forms of contracts, welfare conditions, relationship with the employer) as well as work organisation and services design. Such innovation areas have been recently brought about by a combination of several factors.

According to the majority of respondents, technologies used to provide PHS are what has changed the most in the last three years, followed by the way PHS providers communicate with their customers and how services themselves are provided. More specifically, the introduction and expansion of online platforms are widely recognised as the single biggest change occurred in the last three years. Respondents predominantly share the idea that technology-related innovation processes will be the most intensive for the sector in the next three years, followed by how PHS providers communicate with their customers and the organisational structure of providers themselves. When respondents' perception of innovation in the last three years and expectations of innovations in the next three years are compared, it seems clear that technological innovation is not only the most intensive at present, but also the one that is accelerating the most.

As for what is perceived as a driver of innovation, respondents neatly pointed at the growing needs of an ageing population, followed by the competition on quality of services and the ever higher budgetary constraints affecting PHS purchase. On the other hand, lack of financing for innovative PHS solutions is the main obstacle to the sector's innovation.

¹ European Federation for Services to Individuals (2018), "PHS Industry Monitor: statistical overview of the personal and household services sector in the European Union".

Methodology

For the purposes of this survey, PHS were considered as covering a broad range of activities that contribute to well-being of families and individuals: child care, long term care for the elderly and for persons with disabilities, cleaning, remedial classes, home repairs, gardening, ICT support, etc.. Thus, PHS embraces both household support and care-related services.

Furthermore, innovations are here intended as ideas, products, services or models that are new or applied in new contexts. They are designed to satisfy a specific need and must be replicable.

The survey on innovation in the PHS sector was conducted online between October 2017 and March 2018. It gathered around 75 replies from 12 EU Member States (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Lithuania, the Netherlands, Spain, Sweden and the United-Kingdom). The questionnaire included closed and open questions to gather both quantitative and qualitative data. In order to maximise the number of respondents, the questionnaire was translated in four languages (Dutch, English, French and Spanish). It was published on an online platform and disseminated through various social media channels within EFSI network.

EFSI's aim was not to produce a comprehensive analysis of innovative practices in the PHS sector and the survey has some limitations². However, we consider its results as a good way to identify major trends in the sector when it comes to innovation.

² Due to the data collection method used (reaching only PHS stakeholders linked to EFSI network in one way or another), the sample is heterogeneous and not representative. Furthermore, not having the questionnaire available in other languages resulted in geographical imbalance in the sample.

INFOGRAPHICS ON THE MAIN RESULTS

Main innovation trends in the PHS sector

Overview of the results of a survey conducted online by
EFSI between October 2017 & March 2018



65 % of the respondents shared the opinion that innovation is crucial or very important for the sustainability and future development of PHS sector

Innovation areas Top 3



- 1 WORKING CONDITIONS
- 2 WORK ORGANISATION
- 3 SERVICES DESIGN

Incentives and barriers



- > **Growing needs** of an ageing population
- > Competition on **quality of services**
- > Higher **budgetary constraints** affecting PHS purchase



- > Lack of **financing**
- > PHS users' **unwillingness or inability to pay** for new services
- > **Lack of key staff** necessary to effect change

Current & future innovative practices



Technologies used to provide PHS are what has changed the most in the last 3 years. Expansion of **online platforms** are recognised as the biggest change.

- In the **next 3 years**, the most intensive innovation processes will be related to:
- > the use of **technology**
 - > **communication channels** between providers and users
 - > providers' **organisational structure**.

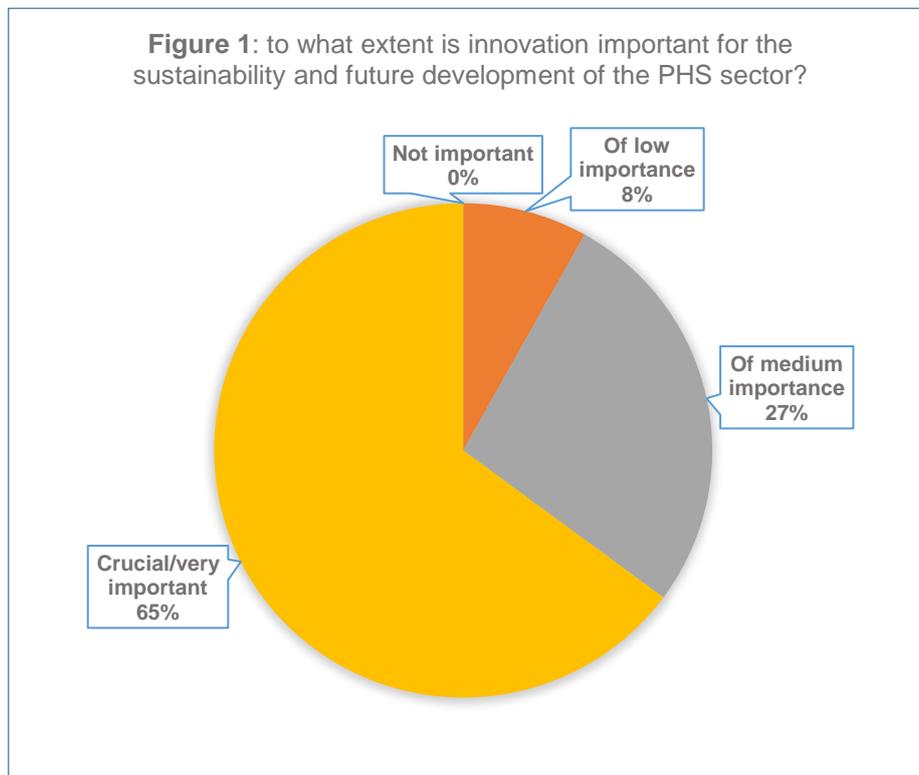


SURVEY – RESULTS ANALYSIS

This section of the report gives a detailed exposition of the answers collected for each question. It does not necessarily express the views of EFSI's members on the various topic addressed.

1. Innovation in the PHS sector

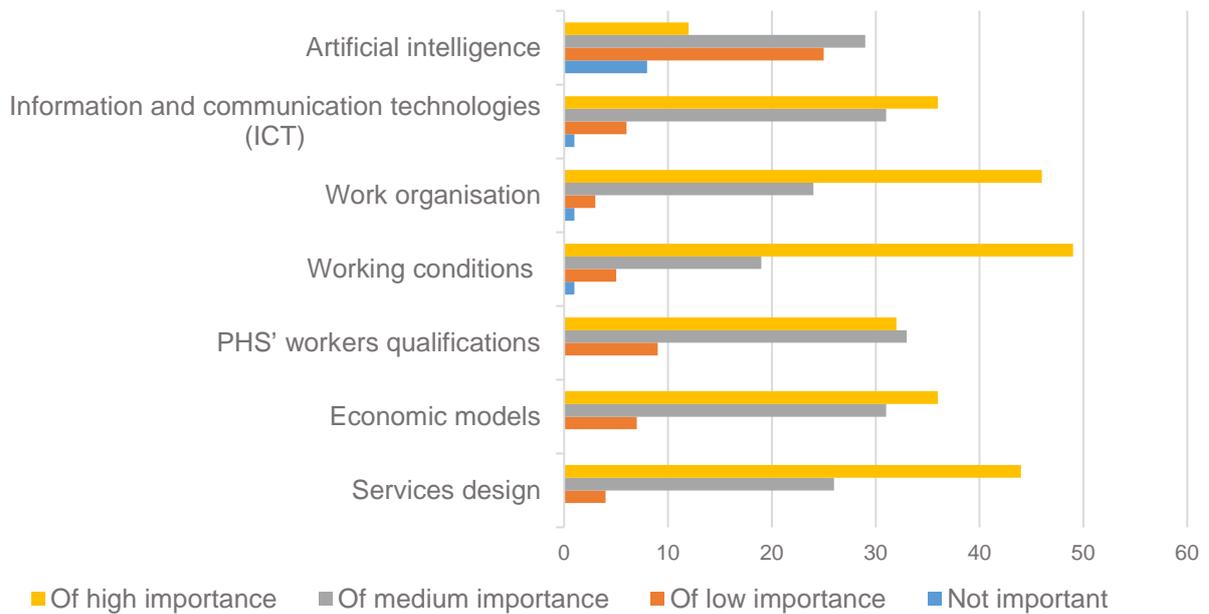
It appears that innovation is considered as an important aspect of PHS development for the majority of respondents. Indeed, 65% of them shared the opinion that innovation is crucial or very important for the sustainability and future development of the PHS sector and 27% of them that it is of medium importance. Only 8% of the respondents considered that innovation is of low importance and none of them that innovation was not important.



This seems to reflect the need for the sector to upgrade to meet the growing demand of services in Europe and to adapt to the evolving habits of users mentioned earlier. The areas of the sector that seem to be under the most intensive processes of innovation are working conditions (widely conceived as forms of contracts, welfare conditions, relationship with the employer) as well as work organisation and services design (see figure 2).

It is interesting to note that generally speaking, ICT and artificial intelligence are considered as being areas of innovation of medium or low importance. However, this finding has to be balanced with the fact that some innovative practices may target for example the improvement of work organisation or services design thanks to the use of new technologies. In this case, ICT and artificial intelligence may be considered by the respondents as innovation drivers rather than areas in which innovation are needed per se.

Figure 2: how significant are the following innovation areas in the PHS sector?

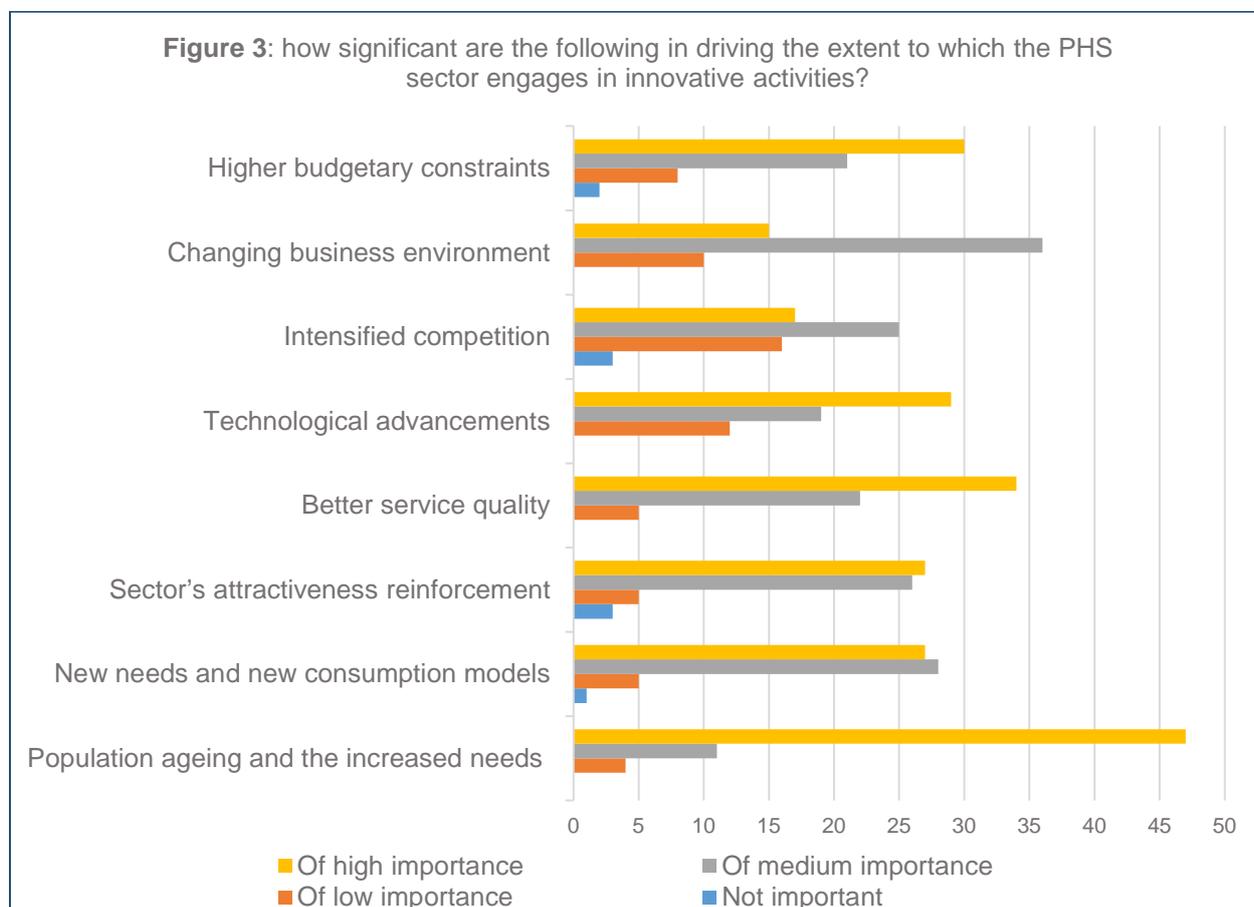


Finally, it is worth mentioning that some of the respondents indicated additional specific areas for innovation, namely:

- gender mainstreaming,
- recruitment that could fall in the questionnaire in the broader category of “*work organisation*”,
- robotisation of domestic work as well as rights and input of household workers which could fit into the “*working conditions*” category of the questionnaire,
- more user-centered services which is related to the “*service design*” innovation area.

2. Incentives and barriers to the implementation of innovative practices

As for what is perceived as a driver of innovation, respondents neatly pointed at the growing needs of an ageing population, followed by the competition on quality of services and the ever higher budgetary constraints affecting PHS purchase.



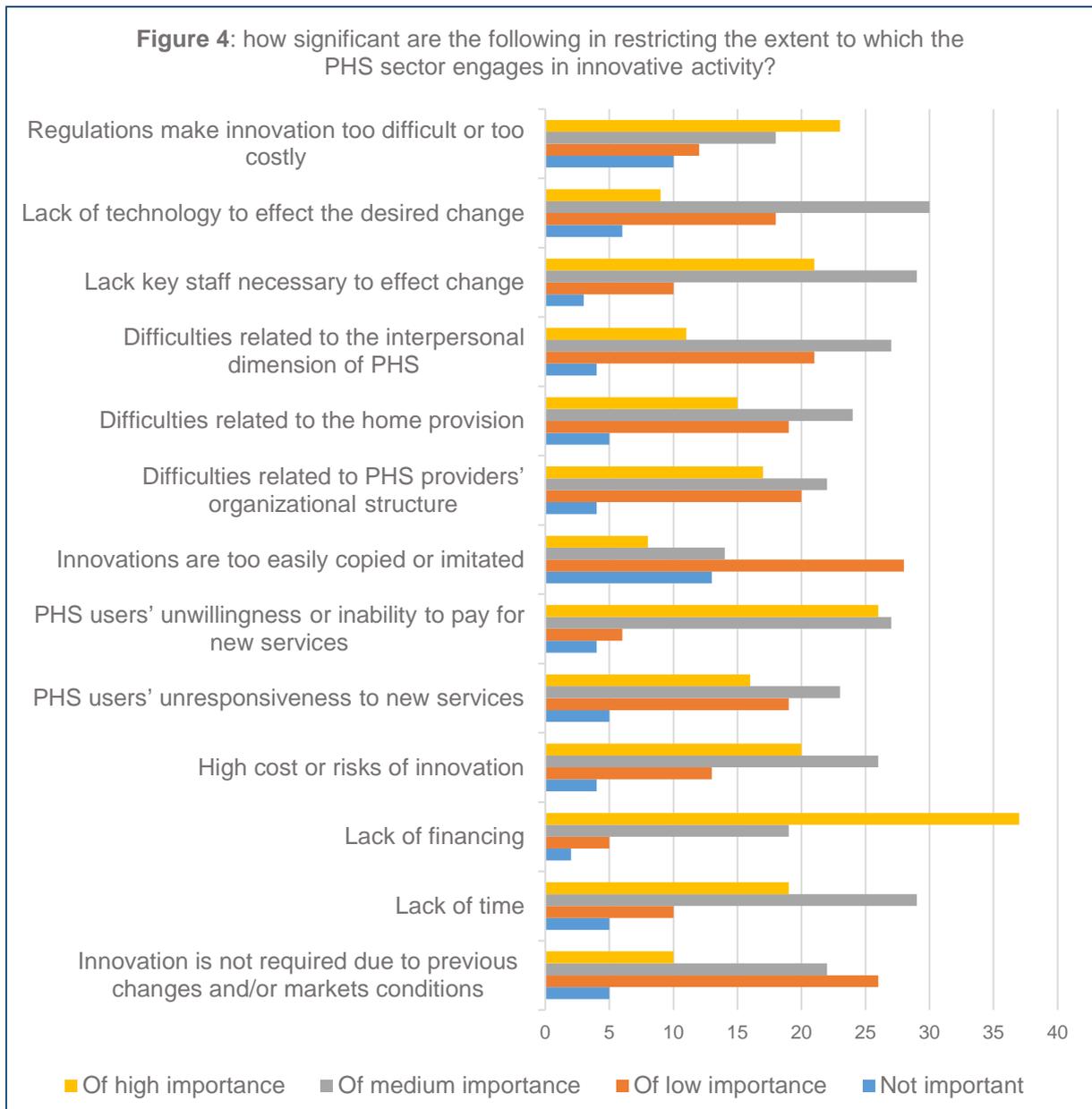
Note : respondents answered the following question: “how significant are the following in driving the extent to which the PHS sector engages in innovative activities, that is the extent to which the PHS sector engages in the development of new or significantly changed services, new economic models, new work organisations; in improving PHS’ workers qualification and working condition, or/and in relying on ICT or artificial intelligence?”

Overall, 80% of respondents considered the incentives listed as being of high or medium importance apart from technological advancements and an intensified competition between PHS providers which were considered of slightly lower importance. This suggests that the sector faces numerous challenges that are forcing it to evolve and for which the implementation of innovative practices are required.

Finally, some respondents mentioned additional drivers of innovative practices which fall into broader reasons mentioned in the questionnaire:

- the necessity to secure or reinforce people's assistance programs (“*population ageing and the increasing needs*”),
- poor terms and conditions of PHS workers (“*sector's attractiveness reinforcement*”).

On the other hand, lack of financing for innovative PHS solutions is the main obstacle mentioned by the respondents to the sector's innovation (see figure 4). PHS users' unwillingness or inability to pay for new services and the lack of key staff necessary to effect change are also mentioned as barriers of high or medium importance by respectively 84% and 79% of the respondents. Conversely, the risks of an innovative practices being easily copied or imitated is considered by a majority of respondents (65%) of being of low importance or not important at all.



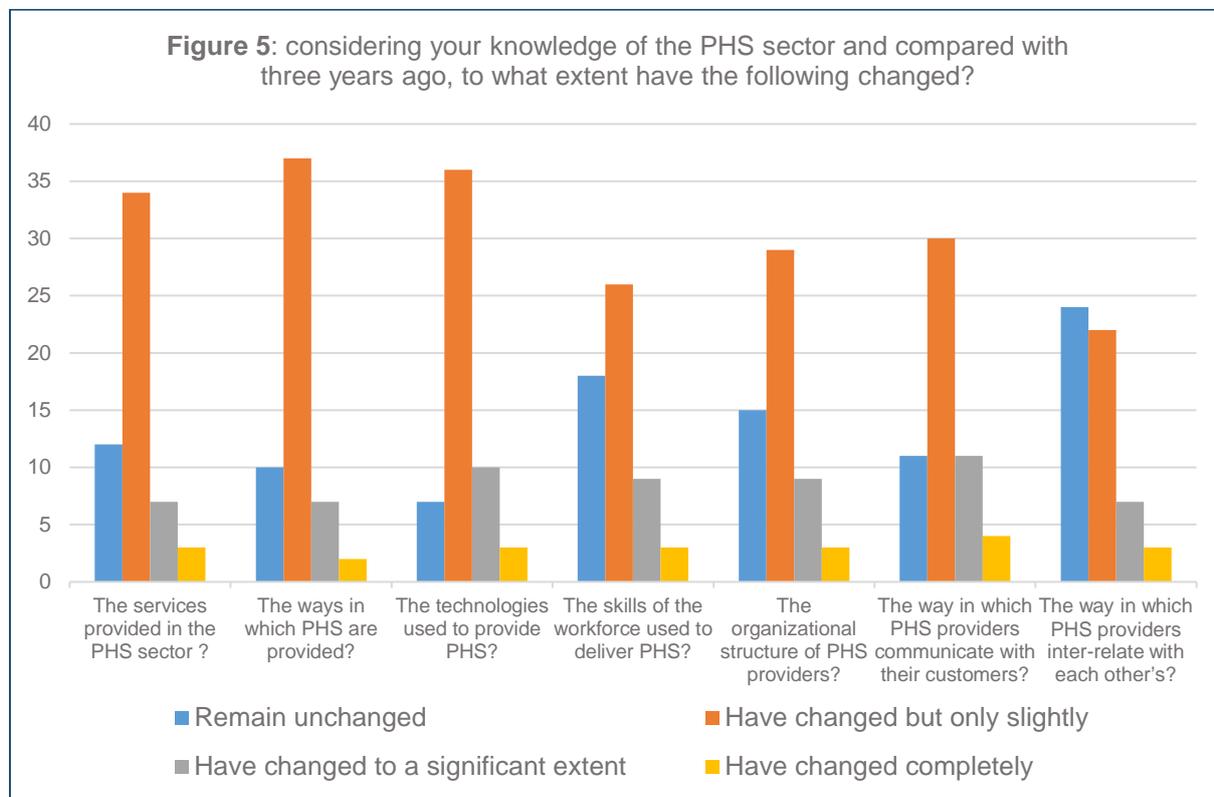
Note : respondents answered the following question: “how significant are the following in restricting the extent to which the PHS sector engages in innovative activities, that is the extent to which the PHS sector engages in the development of new or significantly changed services, new economic models, new work organisations; in improving PHS’ workers qualification and working condition, or/and in relying on ICT or artificial intelligence?”

In addition to the question asked, many respondents underlined that current regulations (conceived as the legislative framework and the public financial support) and the lack of political will to upgrade and invest in the PHS sector represent strong barriers to innovation. Those comments reinforce the fact that 37% of the respondents identified regulations as being an obstacle of high importance as they make innovation too difficult or too costly to implement. Furthermore, several respondents expressed their opinion on the fact that:

- new technologies should be used to improve the quality of services and the quality of jobs. They should not be used to create new needs, replace humans in service provision or excuse for saving on costs,
- a distinction could be made between household related services and care services. The former remaining stable and without large innovation and budgetary constraints compared to care services.

3. Current and future innovative practices

According to the majority of respondents, technologies used to provide PHS are what has changed the most in the last three years, followed by the way PHS providers communicate with their customers and how services themselves are provided (see figure 5).



However, answers highlights the fact that the sector has undergone only slight changes in the last three years³. More specifically, the introduction and expansion of online platforms are widely recognised as the single biggest change occurred in the last three years⁴. Were also mentioned as significant changes to the sector but to a lesser extent the development of:

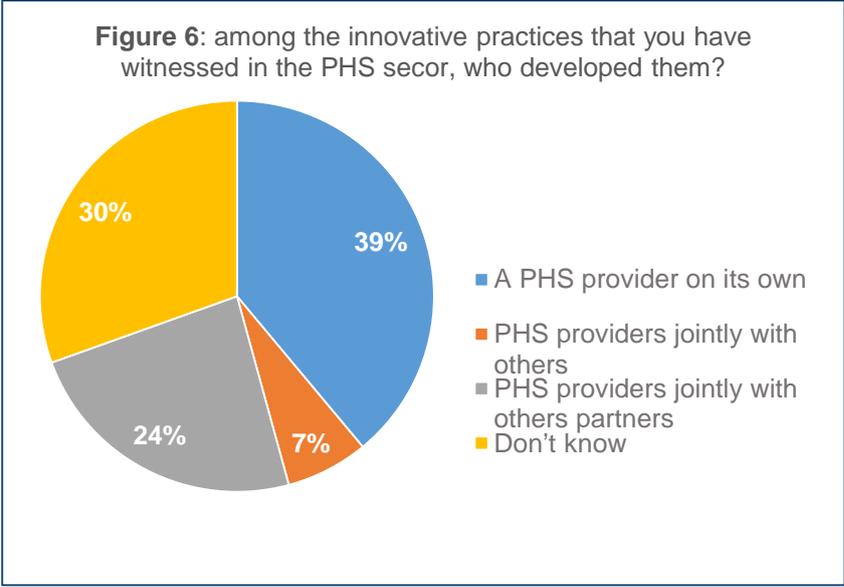
- (mobile) technologies for managing services provision at home (such as clocking systems),
- electronic payments methods as well as of electronic vouchers.

In addition, a significant part of the respondents indicated that the major change they have witnessed in the last three years was the scarcity of qualified PHS workers on the labour market in parallel with higher quality expectations from users.

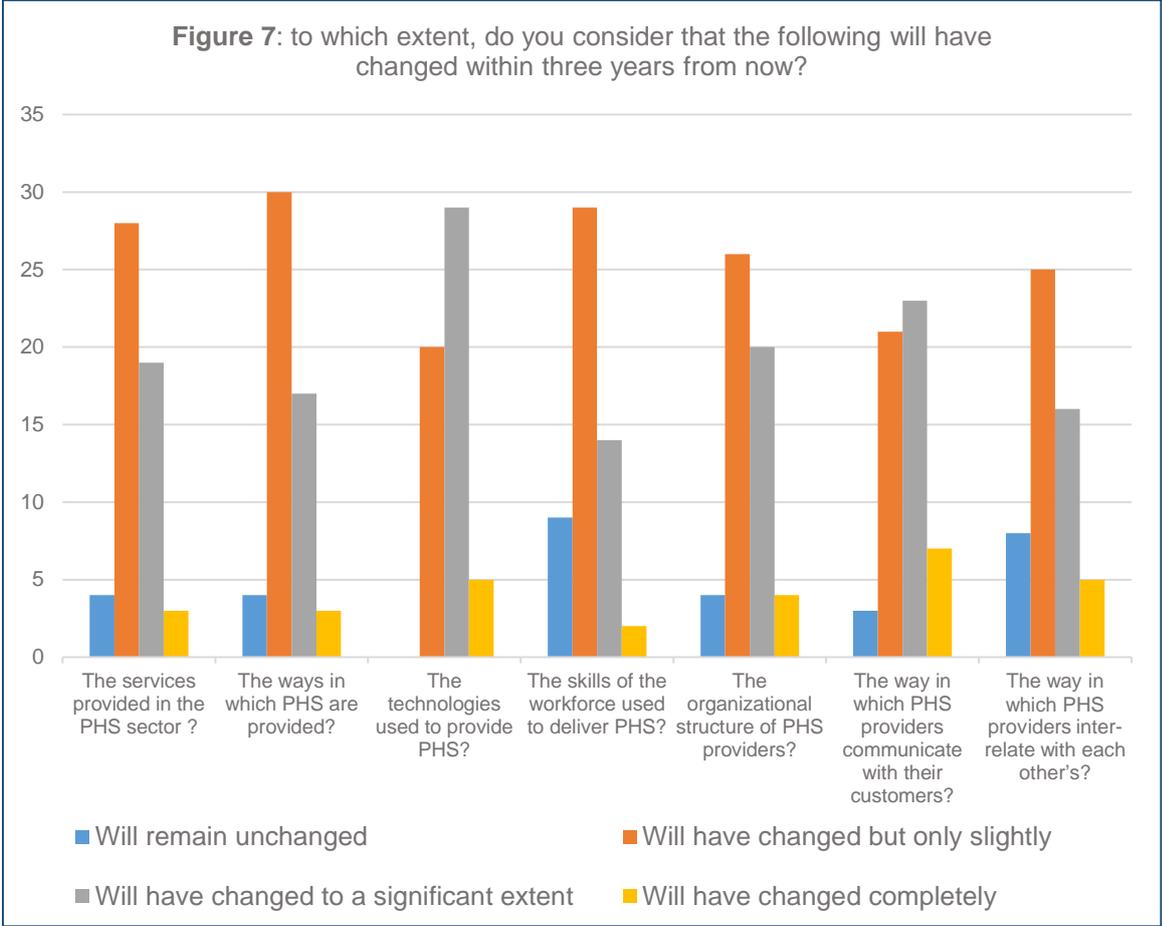
Finally, respondents indicated that the implementation of innovative practices resulted from actions taken by PHS providers on their own initiative. However, this finding must be balanced by the fact that 30% of them did not know who were the initiators of the new practices they witnessed (see figure 6).

³ This finding is corroborated by the high number of respondents (52%) who did not replied to the question 6 "Please describe the most significant change to the PHS sector you have witnessed in the last three years" or who replied "none".

⁴ Online platforms were mentioned as being the most significant change by 31% of the respondents to question 6.

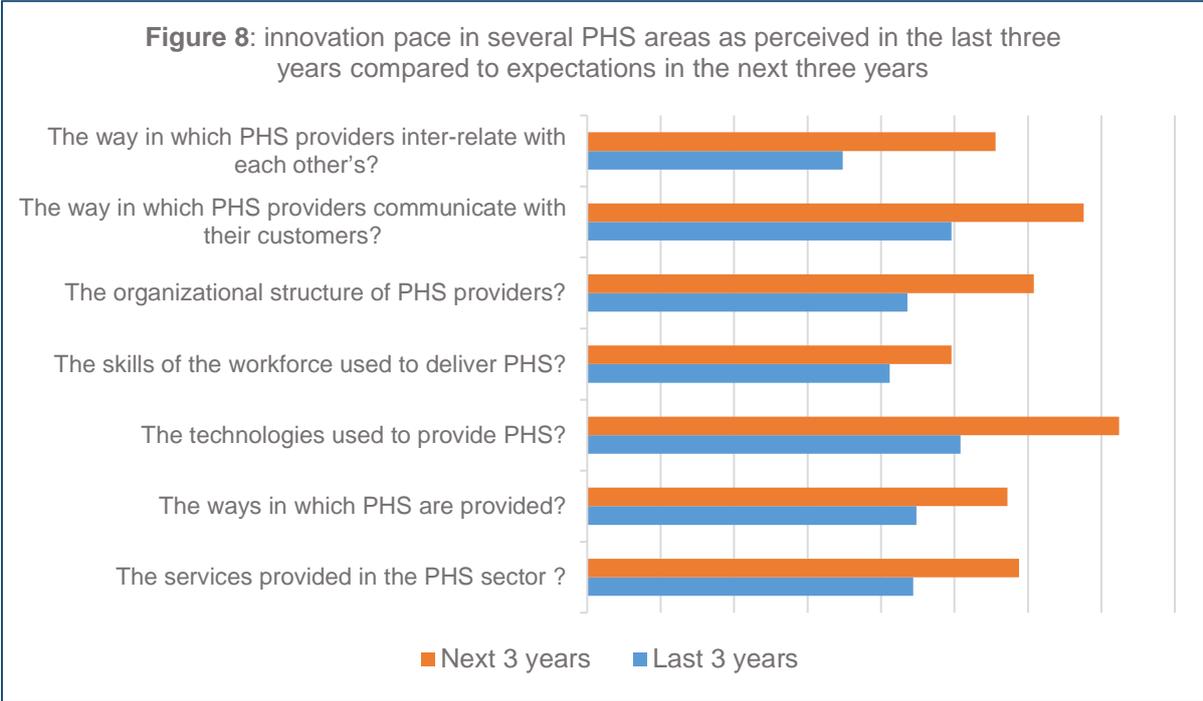


When asked about future development, respondents predominantly share the idea that technology-related innovation processes will be the most intensive for the sector in the next three years, followed by how PHS providers communicate with their customers and the organisational structure of providers themselves.



When respondents' perception of innovation in the last three years and expectations of innovations in the next three years are compared, it seems clear that technological innovation is not only the most intensive at present, but also the one that is accelerating the most (see figure 8). The way in which PHS

providers communicate with their customers came second and is followed by changes affecting the organisational structure of PHS providers. Generally speaking, respondents considered that innovation will accelerate in the next 3 years in all areas identified.



It's worth stressing that despite the fact that 88% of the respondents identified PHS's workers qualifications as an area of innovation of high or medium importance (see figure 2), this is not reflected in their perception of past and expected innovation. Indeed, innovative practices in the development of PHS workers' skills ranked second last (just before the way in which PHS providers inter-relate with each other's) and it is the area in which an acceleration of innovation is the least expected. Furthermore, skills' development is the area in which the largest number of respondents considered that the situation will remain unchanged in the next three years (see figure 7).

4. Respondent's profile

46% of the respondents are PHS providers or workers, 9% of them are working for a public authority, 8% are PHS users and 7% are academics. A large share of the respondents (30%) do not belong to any of these categories. To the question "in which sub-sector(s) are you working?/Are you a user of?/Which PHS sub-sectors fall within your areas of expertise", 52% of the respondents indicated household support services, 26% long-term care services and 22% childcare services.

ANNEX – LIST OF QUESTIONS

1. To what extent is innovation important for the sustainability and future development of the PHS sector?
2. How significant are the following innovation areas in the PHS sector?
3. How significant are the following in driving the extent to which the PHS sector engages in innovative activities, that is the extent to which the PHS sector engages in the development of new or significantly changed services, new economic models, new work organisations; in improving PHS' workers qualification and working condition, or/and in relying on ICT or artificial intelligence ?
4. How significant are the following in restricting the extent to which the PHS sector engages in innovative activity, that is the extent to which the PHS sector engages in the development of new or significantly changed services, new economic models, new work organisations; in improving PHS' workers qualification and working condition, or/and in relying on ICT or artificial intelligence ?
5. Considering your knowledge of the PHS sector and compared with three years ago, to what extent have the following changed?
6. Please describe the most significant change to the PHS sector you have witnessed in the last three years?
7. Among the innovative practices that you have witnessed in the PHS sector, who developed them?
8. To which extent, do you consider that the following will have changed within three years from now?
9. Who are you?
10. In which PHS sub-sector(s) are you working? / Are you a user of? / Which PHS sub-sectors fall within your area of expertise?

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